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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.

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INSTRUCTIONS FOR STATE AND COUNTY COMMITTEES FOR DETERMINING ELIGIBILITY  
AND COMPLETING DOCUMENTS FOR RYE LOANS UNDER THE  
1940 RYE LOAN PROGRAM.

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Introduction.

These instructions are issued in accordance with Commodity Loan Regulation No. 1, as amended October 21, 1939, and 1940 C.C.C. Rye Form 1, Instructions. 40-WL-2, NCR, will be used by the State and county agricultural conservation committees as a guide for making 1940 rye loans, and the procedure contained therein is made a part of these instructions, except as stated herein, or when the procedure is obviously inapplicable.

Eligible Producer. An eligible producer shall be any person, partnership, association, or corporation, producing rye as landowner, landlord, or tenant, upon whose farm the total 1940 soil-depleting acreage does not exceed the total 1940 soil-depleting acreage allotment for the farm under the 1940 Agricultural Conservation Program.

Eligible Rye. Eligible rye produced and stored on the farm in the States of Michigan, Minnesota, Nebraska, South Dakota, and Wisconsin, grading No. 2 or better or grading No. 3 solely on the factor of test weight and otherwise grading No. 2 or better, which was produced in 1940, and the beneficial interest to which is and always has been in the original producer.

Rye grading tough, light smutty, musty, light garlicky, garlicky, or rye containing an excess of 1 percent ergot, shall not be eligible for a loan. Rye containing in excess of .3 of 1 percent, but not exceeding 1 percent ergot shall be eligible for loan at a discount.

Eligible Storage. Eligible storage shall meet the requirements as set out in 40-WL-2 NCR for farm storage.

Loan Value. Eligible rye, stored on the farm, in the States outlined above and grading No. 2 or better, or grading No. 3 solely on the factor of test weight and otherwise grading No. 2 or better, shall have a loan value of 22 cents per bushel less than the applicable farm storage loan value for No. 2 hard winter wheat (applicable in the county where the rye is stored), or 38 cents per bushel, whichever is the lower, except that eligible rye containing in excess of .3 of 1 percent and less than 1 percent ergot shall have the loan value discounted 1 cent from the otherwise applicable rate for each .1 of 1 percent ergot contained in the rye in excess of .3 of 1 percent.

Maturity and Interest Rate. Loans on eligible rye may be made through approved lending agencies or direct with the Commodity Credit Corporation



and will be handled through the special representative's office serving the area. Rye loans will be available until December 31, 1940, and will mature on demand or ten months from the date of the note, and shall bear interest at 3 percent per annum.

Insurance. Producers are required to obtain primary insurance covering the rye collateral, the amount of which may not be less than the face value of the note plus interest for one year. The procedure set out in 40-WL-2 regarding insurance shall be followed.

Fees for Operating Expenses. County associations shall collect 1 cent per bushel, based on the net amount of bushels securing the loan in farm storage. 40 percent of such fees collected shall be transmitted to Commodity Credit Corporation, using 40-WL-6 properly stamped "Rye" or headed "40-Rye-6" as a letter of transmittal. Detailed procedure outlined in 40-WL-2, NCR, shall be followed.

Forms. The following 1940 rye forms will be furnished: 1940 C.C.C. Rye Form 1, Instructions; 1940 C.C.C. Rye Form A, Rye Producer's Note; 1940 C.C.C. Rye Form AA, Rye Chattel Mortgage. All other forms used in the county and State offices for administration of the 1940 rye loans will be converted from the 1940 wheat loan forms by altering and amending in the following manner:

1. Producer's Letter of Transmittal. Use the 1940 C.C.C. Wheat Form C, Producer's Letter of Transmittal; stamp or write the following notation in the center and at the top of the form: "For the purpose of this form, the word "wheat" appearing herein shall be deemed to be "rye"."
2. Separate Lien Waiver Form. Use 1940 C.C.C. Wheat Lien Waiver; stamp or write the following notation directly above the title "Wheat Lien Waiver": "For the purpose of this form, the word 'wheat' appearing herein shall be deemed to be 'rye'".
3. Control Card. Use C.C.C. Wheat Control A. Each card used for rye loans shall have the word "wheat" lined out, and the word "Rye" stamped or written at the top of the form.
4. Rye Loan Work Sheet. Use 1940-WL-1, Wheat Loan Work Sheet; delete the word "wheat" in the title and substitute "rye". In Section I, items "allotment" and "planted" shall refer to the total soil-depleting acreage rather than the wheat acreage. In Section IV, Item 11, the test-weight factor shall be taken from the following schedule:

For rye testing 56 pounds or over	100%
For rye testing 55 pounds or over but less than 56 pounds	98%
For rye testing 54 pounds or over but less than 55 pounds	96%
For rye testing 53 pounds or over but less than 54 pounds	94%
For rye testing 52 pounds or over but less than 53 pounds	92%

5. County Committee Report of Rye Loans Certified. Use 40-WL-4, County Committee Report of ~~Wheat~~ Loans Certified; the word "wheat" in the title shall be stricken therefrom, and the word "rye" substituted. On the line preceding the word "Storage" there shall be written the words "Rye, Farm". Columns (j), and (k) will not be used in reporting rye loans. It is suggested that each county administering rye loans shall purchase a rubber stamp with the impression "1940 RYE", and stamp all wheat forms therewith in the upper right-hand corner in addition to the alterations and amendments set out above.

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There are two parts of the same subject. The first part is the history of the subject. The second part is the present state of the subject. The first part is the history of the subject. The second part is the present state of the subject.

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